The A. F. of L. Weekly News Service gives news accounts and editorial interpretations of matters affecting labor occurring in the industrial, legislative, and judicial fields, and contains other information of benefit to the trade union movement.

AMERICAN FEDERATION OF LABOR

WEEKLY NEWS SERVICE

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When you define liberty you limit it, and when you limit it you destroy it.—Brand Whitlock.

WHOLE NO. 1419 WILLIAM GREEN, President WASHINGTON, D. C., SATURDAY, JUNE 25, 1938 FRANK MORRISON, Secretary-Treasurer VOL. 28, NO. 26

EDITORIALS

Sloan's Brainstorm on Wages

A defense of the low wages and long hours which many employers force hundreds of thousands of working men and women to accept featured a message sent by Alfred P. Sloan, Jr., chairman of the General Motors Corporation, to the company's 375,000 stockholders, in a communication on the "trend of business" distributed with the June dividend checks.

Asserting that the Nation's system of production and distribution of wealth had been unbalanced by too rapid increase in wages and shortening of hours, Mr. Sloan unlimbered good-sized chunks of his ire against the Federal Wage and Hour Act as a continuation by government fiat of the unbalancing process.

What are the wage rates which cause Mr. Sloan's wrath to knock the top out of his temperamental thermometer? For the first year after the Act becomes effective employers in the industries covered by it will be required to pay their employes not less than 25 cents per hour with a maximum work week of 44 hours. This amounts to $11 for a full-time week. For the next six years the minimum wage must be not less than 30 cents per hour. For the first year of this six-year period the length of the maximum work week is reduced to 42 hours, or $12.60 for a full-time week. For the next five years the maximum work week is reduced to 40 hours and the minimum pay raised to 40 cents an hour by the end of that period. When the wage is raised to 40 cents, the workers will receive $16 for a full-time week.

The contemplated high wages which Mr. Sloan visions as still further unbalancing the American system of production and distribution are $11 for a 44-hour week, $12.60 for a 42-hour week, and, ultimately, $16 for a 40-hour week.

Personally, Mr. Sloan doesn't have to worry. Last year he is reported to have been paid a remuneration in the neighborhood of $650,000 for his services to the stockholders of General Motors. Safely protected from want by this munificent salary, he would do well to hide his totally unwarranted hostility to a measure which prohibits employers from paying their employes less than the altogether-too-low weekly wages of $11 next year, $12.60 the year following, and $16 by 1945.

Investors Organize Against Railroad Workers

An indication that investors are usually afflicted with congenital and hidebound shortsightedness when it comes to a consideration of wages is apparent in the action of the National Council of Investors in forming State units to influence legislation in favor of railroad security owners with especial emphasis on the wages question.

Of course to the investors who own railroad stocks and bonds the wages question means joining with the railroad executives in their endeavor to force the railroad workers to accept lower wages and consequently lower standards of living.

The railroad workers are the men who do the work in transporting passengers and freight. They are the persons who manufacture transportation, a commodity which the railroad executives sell and from the proceeds of which the investors in railroad securities receive their interest and dividends.

Good wages for the men who perform the useful work in the production of railroad transportation is the fundamental and primary charge against the railroad industry. It is a manifestation of bad executive judgment for railroad executives to seek to cut the wages and reduce the living standards of the railroad employes. But for the railroad investors to make common ground with the railroad executives in undertaking to slash the living standards of those without whom there would be no railroad transportation manufactured, no dividends and no interest on railroad securities is shortsightedness carried to the extreme.

If the National Council of Investors were imbued with the genuine patriotism which should characterize those whose income is frequently described as "unearned," its members would turn from their subversive endeavors to slash railroad wages for the benefit of rail security owners and take up the real difficulties underlying the railroad problem. One of these difficulties is the interest on railroad bonds. It has been suggested that voluntary agreements with railroad bondholders to accept lower interest rates until business recovery reaches the Nation's railroad industry would relieve considerable of the distress experienced by railroad managements. Serious consideration of this suggestion by the National Council of Investors would undoubtedly be more in the public interest than joining with the railroad executives to slash wages of railroad workers. It would also very likely benefit the railroad bondholders. This view is held by Senator Borah of Idaho, who proposes that those who own railroad bonds take a drastic cut in interest rates to help the railroad executives through their present financial difficulties. Suggesting possible government loans to the railroads if the interest slash were made, Senator Borah said "the bondholders would rather have an assured three per cent than a six per cent return that they do not get."

Housing Loans Create Jobs For Jobless

The tremendous force exercised by Federal loans for housing in the mitigation of the unemployment tragedy by creating work for the workless is impressively revealed in the estimate of the number of jobs that will result from the provision in the $3,700,000,000 spending-lending-recovery bill passed by Congress authorizing the United States Housing Authority to use an additional $300,000,000 for self liquidating loans to assist slum clearance and housing for low-income groups. Last year Congress authorized $500,000,000 for this purpose.

According to an estimate prepared by the American Federation of Labor, which supported the new authorization from its inception, the enlarged housing program made possible by the $300,000,000 will provide "direct employment at the site of the projects for more than 200,000 building trades mechanics and laborers, as well as to some 450,000 workers employed in the production of building materials and their transportation." Full time employment for these hundreds of thousands of jobless workers in the building and allied industries will provide an immense relief for the unemployed in areas most deeply affected by lack of work.

In surveying the effect the new housing program will have on business generally, the Federation declares it will require about 1,500,000,000 board feet of lumber, 3,750,000,000 bricks, 7,000,000 barrels of cement, 6,500,000 gallons of paint, and 700,000 tons of steel.

Added to these constructive results in the fields of unemployment relief and business recovery, the A. F. of L. emphasizes the "permanent social usefulness" of the enlarged housing program, "the primary purpose of which is to provide wholesome, decent housing for 200,000 families—nearly 1,000,000 men, women and children—who now live in over-crowded, disease-ridden slums and fire-trap tenements."

Surely providing decent houses for this vast number of persons in slum areas and putting to work nearly a million of our jobless army totaling about 11,000,000 is a combination of socially constructive features which will receive the unanimous commendation of all our citizens.

WAGE-SLASHED WORKERS CUT THEIR FOOD SUPPLY

Atlantic City, N. J. (AFLWNS).—Retail food merchants throughout the United States have had their trade materially slashed by the policy of corporations and other employers discharging millions of workers and reducing the wages of millions more, thus lowering drastically their purchasing power.

This fact was brought out in the report of Samuel W. Rice, of Newark, N. J., at the second annual convention of the Food Merchants Alliance, composed of wholesale jobbers in nine States.

Mr. Rice declared that during the last few months the amount of food purchased by the "public" had materially decreased and that the retrenchment had become more intensified in the last two months.

Of course the "public" which is buying less food is that portion of the public consisting of workers, who have either been fired or had their wages cut by employers in the attempt to "restore business prosperity."

JOB DATA WANTED TO END RELIEF ROLL CHISELING

Albany, N. Y. (AFLWNS).—The Advisory Council of the New York State Employment Service has recommended that the State Labor Department rescind its refusal to furnish relief authorities information on placements made by public employment offices.

Welfare officials have complained that "chiseling" on the relief rolls is fostered by their inability to ascertain who secures work through the State Employment Service. Basing their action on the fact that the State pays for 40 per cent of local home relief expenditures, they declare that they should receive current notice of all jobs provided by the State.

BUFFALO SLUMS STIR N. Y. HOUSING BODY

Windows to Fire Escape Nailed Shut; Federal Project Held No Aid to Low-Income Families.

By A. F. of L. Weekly News Service.

Buffalo, N. Y.—The Housing Committee of the New York State Constitutional Convention, touring the State preliminary to drafting plans for a model housing program, expressed themselves as shocked at slum conditions here and criticized the Federal Kenwood project as inconsistent with true low-cost housing objectives.

In its inspection of the Dante Place-Commercial Street slums the committee discovered a fire-trap condition. Windows leading from the fire escape had been nailed shut leaving only a small stairway to empty five floors of tenants. To correct this condition, the committee filed a formal complaint with the city building division.

With regard to the Kenwood project, the committee drew the conclusion that the people living there did not come from the slums. Their incomes, it was said, precluded this. Therefore the project did not live up to the theory that low-cost housing is to remove people from the slum areas of cities and establish them in adequate healthful surroundings. Several of the tenants admitted they did not come from slum areas.

Justice Philip J. McCook, of the State Supreme Court, a member of the committee, called Buffalo's slums "a disgrace that must be removed."

The Exclusion of Russian Labor Unions From I.F.T.U. Membership

Debate at Oslo Conference Throws Light on Views of Delegates Supporting Recommendation of Executive of International Federation of Trade Unions Against Admitting Labor Group of Soviet Union.

By A. F. of L. Weekly News Service.

The action of the recent conference of the International Federation of Trade Unions at Oslo, Norway, in refusing by a vote of 16 to 4 to accept the National Trade Union Centre of the Union of Soviet Socialist Republics as a member of the Federation, was taken following a thorough discussion extending over two days.

Matthew Woll, third vice president of the American Federation of Labor, represented the A. F. of L. at the conference.

The immediate background of the question began with the decision of the London Congress of the I. F. T. U. of 1936 directing the Executive to get into touch with the countries not yet affiliated with the I. F. T. U.

Repeated letters to the National Trade Union Centre of the Soviet Union produced no effect until late in 1937, when a communication was received. Eventually a delegation of the I. F. T. U. Executive, consisting of Vice President Jouhaux, General Secretary Schevenels, and Assistant Secretary Stolz went to Moscow and brought back not an application for membership but a set of terms which the Soviet unions laid down as conditions on which they would consider affiliation.

Last January the Executive of the I. F. T. U. took the view that these conditions were not acceptable and advised the affiliated countries not to accept them. The recommendation of the Executive was the order of business at the Oslo conference, at which twenty-six national labor organizations with a membership of approximately 20,000,000 were represented.

The I. F. T. U. Executive consists of the following persons: President, Walter M. Citrine; vice presidents, H. Jacobsen, Denmark; L. Jouhaux, France; E. Kupers, Netherlands; C. Mertens, Belgium; R. Tayerle, Czechoslovakia; General Secretary, W. Schevenels; Assistant Secretary, G. Stolz.

Prior to the Oslo conference the American Federation of Labor, through its Executive Council, declared last February that it would withdraw from the I. F. T. U. if the Trade Union Centre of the Soviet Union was admited. A similar attitude had been expressed by the Swiss Trade Union Centre.

The few supporters of permitting the Trade Union Centre of the Soviet Union to affiliate with the I. F. T. U. included Vicente Lombardo Toledano, head of the Mexican Federation of Labor, who insisted that the Fascist danger was a world danger to the workers which could only be effectively fought by world unity. Therefore, speaking for the Mexican Labor Federation he voted "Yes" to the Russian conditions for joining the I. F. T. U.

L. Jouhaux, one of the vice presidents of the I. F. T. U., speaking for the French Trade Union Centre, took the view that the conversations with the Trade Union Centre of the Soviet Union should continue.

At the conclusion of the two days' debate the conference rejected by a vote of 16 to 4 the conditions laid down by the Soviet unions. Then the conference carried the following resolution by 14 votes to 7:

"The General Council having regard to the conditions now existing in the U.S.S.R. and to the views expressed by the National centres affiliated to the I. F. T. U. decides not to proceed further with negotiations with the Central Council of the Trade Unions in the U.S.S.R."

The London Daily Herald, the voice of British organized labor in the daily newspaper field, published an instructive summary by George Thomas, its Oslo correspondent, of the second day's debate devoted to those who opposed admitting the Soviet unions to the I. F. T. U. Following is the Daily Herald's summary:

Arms of State

M. Zdamowski (Poland) said that the present situation in Russia resembled in some respects the Middle Ages. The tendency there was towards reinforcement of the central authority, and still more dictatorship.

The Russian unions were not free agents and were merely arms of the State.

Russian affiliation would cause special difficulties for the Polish unions, as it would be used against them by their opponents. He explained that the peasants and non-manual workers were associated with the Polish trade union movement in the fight for liberty, but they were intensely against Communism.

If they now countenanced acceptance of the Russian tied unions they would not be able to make public opinion in Poland understand why they should fight for free trade unionism only in capitalist countries.

Mr. George Hicks, M.P., one of the British delegates, said that anyone who assisted international understanding and trade union unity was rendering service to democracy and freedom of association.

Communist Principles

But, he asked, would the affiliation of Russia to this powerful international add to unity? Experience in Britain was that association with the Communists weakened, discredited and divided the Movement.

The principles of the Communists, if they had any, were subordinated to expediency, and their policy was determined by the Moscow weathercock. No one knew how that was going to blow tomorrow.

Typical of the Communist mentality and method was the Communist International's May Day attack this year on the I. F. T. U. president, Sir Walter Citrine, whom it denounced as collaborating with wreckers of the Working-class Movement and striving in the interests of Fascism to destroy unity.

The British T. U. C. believed the conference would be acting wrongly in accepting the Russian conditions, and it asked the conference to vote against them and to continue its great work for trade union unity with those who were able to accept the statutes and rules of the I. F. T. U. and to adhere to its policy.

"Sanctions"

M. Mertens, (Belgium) pointed out how onesided the Russian conditions were.

For example, "sanctions" were to be applied by the working class against Fascist countries, but Russia had very friendly commercial relations with Fascist countries, and these would presumably continue while workers elsewhere were required to strike and to take other measures.

The Soviet unions would not take the action expected of others; to strike was a capital offence in Russia.

Continuing the conversations would only increase confusion, and he believed the Russians wished to create that confusion.

M. Meister (Switzerland) said the Swiss T. U. C. stood unreservedly for democracy. If the Russians were admitted the Swiss would have to consider carefully whether they could stay in the International.

"It Means Unity"

Mr. Matthew Woll (United States) submitted that the I. F. T. U.'s own statute and resolutions debarred it from admitting the Russians.

He said that in the view of the American Federation of Labor the conference had before it a proposal submited by the Soviet unions, the Soviet Communist Party, and the Soviet Government, not for affiliation, but for a "unity" agreement.

"May I say frankly, on behalf of the A. F. of L." he continued, "that we do not propose to enter into an agreement directly or indirectly with the Soviet trade unions."

He agreed there was a Fascist menace, but Fascism was not the only form of dictatorial Government that was seeking dominance in the world. Both Communism and Fascism were equally intolerable to free peoples.

Mexico's Future

Addressing himself to the Mexican delegate (who had favored Russia's terms), Mr. Woll said the A. F. of L. keenly sympathized with them.

"We know," he said, "that even Mexico itself may sooner or later be confronted with civil strife from within.

"We hope Mexico may maintain its democracy and we stand prepared to give aid and service in maintaining it."

But that task, he said, would not be achieved by giving any encouragement to divisions in Labor's ranks in the United States."

Wallace Mobilizes Millions of Dollars To Buy Food and Clothing For the Poor

By A. F. of L. Weekly News Service.

Washington, D. C.—With the army of the unemployed already estimated to exceed 13,000,000 and the ability of local communities to care for the destitute jobless exhausted, Secretary of Agriculture Wallace called on State and local relief organizations and similar agencies to advise him on "the extent of unfilled need for food and clothing among people on relief," as the opening move in what is expected to be the largest surplus commodity purchase and distribution program yet undertaken by the Federal Government.

The Federal Surplus Commodities Corporation was directed by the Secretary to cooperate with State and local officials in obtaining the information. He said the full resources of the agency would be mobilized to guard against "the danger of going hungry in a land of plenty."

Officials said the Surplus Commodities Corporation already had available $17,000,000 for purchase of surplus farm products during June, and $75,000,000 for such purposes in the fiscal year beginning July 1.

FORTY-HOUR WEEK AIDS FRANCE, OFFICIAL SAYS

Geneva, Switzerland (AFLWNS).—Blunt denial that the forty-hour week in France had resulted in the disorganization of industry, which is the usual criticism mobilized by employer advocates of the long work week both in that country and in other countries, was made by Paul Ramadier, French Minister of Labor, in an address before the International Labor Conference here.

France, he said, had gained great benefits from her forty-hour week experiment. Among these benefits he included more social peace revealed by the fact that the number of workers on strike had decreased from 1,800,000 in June, 1936, to 2,514 last month. In addition, work was better distributed and the number of unemployed reduced.

Of course, he said, there had been some difficulties in adjusting industry to the shorter work week, but they were not so serious to prevent France profiting in a very tangible manner by the reform.

LAID-OFF WORKERS ASK JOBLESS COMPENSATION

Parkersburg, West Va. (AFLWNS).—The West Virginia unemployment compensation bureau is considering the knotty question of whether employes thrown out of work following a strike are eligible for unemployment compensation.

The problem was staged when 100 workers in the spinning department of the American Viscose Corporation struck. As a result of the strike the company closed the plant, depriving many more workers of their jobs.

Under the West Virginia unemployment compensation law strikers are barred from benefits, but the status of the laid-off workers is not definitely established. Many of them filed claims for compensation. And the question for compensation officials to decide is whether workers who are unemployed as the result of the managers of a plant closing it because of a strike of one group of the employes are eligible for unemployment benefits.

JOHN MORRISON, LABOR UNION LEADER, DIES

Prominent Figure in Trade Union Circles For More Than 50 Years Passes Away in New York City At 74.

New York, N. Y. (AFLWNS).—John Morrison, prominent in the organized labor movement for more than half a century, died at his home, 585 West End Avenue here, June 19 at the age of 74. The immediate cause of his death was lobar pneumonia.

Mr. Morrison was president of the Carpet Weavers International Union in the Eighteen Eighties. Since then he had been associated with the trade union movement in many capacities. He was a friend of the late Samuel Gompers. For many years he had charge of advertising for the American Federationist, official organ of the American Federation of Labor, and various union publications in the building trades.

Those who were privileged to know him will keenly regret his passing. He was a true friend who advised justly, assisted readily, adventured boldly, defended courageously and continued as a friend unchangeable through the years.

He was a firm believer in the fundamental principles of organized labor and our democratic institutions—felt that any industry or any industrial system which employs men, women and children under sub-standard working conditions affects not only the workers themselves but the public as well. He lived to see fair industrial standards greatly improved and laws enacted to protect public health and the workers in industry.

The memory of his untiring and unselfish devotion will ever serve as an inspiration to those coming along in the labor movement today. Trade unionists deeply lament the ending of a career of such exceptional ability usefulness and value—a man whose every thought and interest was centered in the progress of Organized Labor.

Mr. Morrison was born in New York City on February 29, 1864. He is survived by a nephew, Joseph Moran, and several nieces.

Many prominent labor leaders from all parts of the country, including President Green and Secretary-Treasurer Morrison of the American Federation of Labor, attended the funeral. The many floral tributes spoke mutely but effectively of the high esteem in which he was held by his friends in the labor movement.

Funeral services were held at St. Gregory's Catholic Church where a solemn requiem high mass was celebrated.

Interment took place at St. John's Cemetery, Brooklyn, N. Y.

AFL GARMENT WORKERS ORDERED REINSTATED

Labor Board Finds Grace Company, of Belton, Mo., Promoted Company Union and Discriminated Against 21 Employes For Membership in United Garment Workers.

Washington, D. C. (AFLWNS).—The National Labor Relations Board has issued an order against the Grace Company, Belton, Mo., garment manufacturer, requiring the company to "disestablish" Grace Company Workers' Union, an unaffiliated organization, as representative of any of its approximately 50 employes.

The board also ordered the company "to reinstate with back pay 21 employes discharged or locked out in April and May, 1937, because they refused to become members of the independent union and because they joined and assisted United Garment Workers of America, Local 47," an affiliate of the American Federation of Labor.

The board said that, according to the testimony, in April, 1937, the A. F. of L. union presented to the president of the company a contract providing for a $16 weekly minimum wage, and that the C. I. O. union presented a contract providing for a $13 weekly minimum. At first the president of the company looked favoraby at the C. I. O., but later decided to encourage the formation of a company union, closed the plant while the organization was being perfected, and then made a "closed-shop" contract with the company-induced group. When the plant opened, members of the United Garment Workers Local Union who reported for work "found the entrance blocked by members of the independent union, who told them they could not come in unless they joined the independent."

Confronted with these facts, the Labor Board ruled that since the independent union "had come into existence and effected its closed-shop contract through unfair labor practices on the part of the company, and since all 18 of the locked out United members would have returned to their work had the unfair labor practices not been committed, the apparent severance of their employment was attributable to the company, and constituted a discrimination against them because of their United membership, which must be rectified by reinstatements with back pay."

MARINE ENGINEERS MAY WITHDRAW FROM C. I. O.

New York, N. Y. (AFLWNS).—According to an article in the New York Journal of Commerce, leaders of the Marine Engineers Beneficial Association are considering the advisability of leaving the Committee for Industrial Organization. The article stated that Samuel J. Hogan, president of the Association, was understood to have called a meeting of the executive committee to be held in Washington early in July. At that time, according to the article, the committee "will draw up a plan for conducting a poll among its members."

CORRECTION

The June 18, 1938, issue of the American Federation of Labor Weekly News Service contained an article entitled "Great Lakes Seamen Get 8-Hour Day," which stated that the 75th Congress just before adjournment passed a bill limiting to eight hours per day the labor of licensed officers and seamen on the Great Lakes and waters adjacent thereto. This was an error. The heading should have read "Great Lakes **Tugmen** Get 8-Hour Day." and the article should have stated that the bill passed by Congress limited to eight hours per day the labor of licensed officers and **tugmen** on the Great Lakes and waters adjacent thereto.

Rutgers University Labor Institute Discusses Labor and Public Policy

Federal Labor Relations Act, Paid Vacations, Trade Treaties, Japan's War Against China, Housing, State Labor Relations Acts, Industrial Relations, and Health Insurance Are Considered by Competent Speakers During Four-Day Meeting at New Brunswick, N. J., Attended by 140 Labor Leaders.

By A. F. of L. Weekly News Service.

The Eighth Annual Institute of Labor, which is held on the campus of Rutgers University, New Brunswick, N. J., each year, in cooperation with the New Jersey Federation of Labor and the Workers Education Bureau, concluded its largest and most successful session on Thursday afternoon, June 16.

The topic for discussion this year was Labor and Public Policy, and the Institute consisted of a series of nine sessions devoted to some of the more important questions before labor in the fields of both domestic and international relations.

On the opening afternoon, Monday, June 13, Thomas Emerson, counsel for the National Labor Relations Board, discussed the operation of the National Labor Relations Act and the administrative procedure of the board. Professor Walter Peabody, Professor of Economics at Rutgers University, outlined some of the provisions in the proposed New Jersey Labor Relations Act.

A further discussion on the New Jersey Act was held at the dinner session on Monday, at which Thomas Parsonnette discussed the provisions of the proposed law. At the same session Carl Beck, the director of the American Council for Democracy, discussed the necessity for a public relations function for the trade unions.

Vacations With Pay Considered

On Tuesday Charles Morris Mills, one of the foremost authorities on vacations with pay, discussed the development of this movement. His address was followed by a presentation of Women in Industry, by Mary Elizabeth Pidgeon of the Women's Bureau of the U. S. Department of Labor. At a special luncheon meeting Rose Schneiderman, President of the National Women's Trade Union League and a member of the Labor Commission of New York State, outlined the women's trade union situation in the United States.

In the afternoon, Warren D. Mullin, of the National Council for the Prevention of War, gave an eloquent defense of the Hull trade treaties and Mrs. Elvira Fradkin, of the New Jersey Council for Foreign Relations, discussed the development of American foreign policy both in the political and economic spheres.

At the evening session on Tuesday, Dr. T. A. Bisson of the Foreign Policy Association, who has recently returned from an extended visit in the Orient, discussed the problem of "The Orient Ablaze" and outlined the trends of the present Sino-Japanese conflict.

Wednesday, June 15, was designated as Building Trades Day and was devoted to certain problems in connection with the building industry. Miss Catherine Bauer, director of research and information for the U. S. Housing Authority, discussed Federal and New Jersey housing legislation during the past year. At the luncheon meeting Professor Eugene E. Agger of the New Jersey State Housing Authority, discussed some of the problems before the State of New Jersey and in the afternoon Thomas S. Holden, president of the New York Building Congress, gave an informing discussion on the recovery of the construction industry and its relation to increasing employment.

Rule of Reason Urged

Later in the afternoon session Charlton Ogburn, general counsel for the American Federation of Labor, outlined some of the developments in recent State labor relations acts.

At the dinner session on Wednesday President Robert C. Clothier of Rutgers University made an eloquent appeal for the rule of reason in the whole area of industrial relations and commended the labor group for utilizing the processes of education in approaching their problems. Representatives of the American Federation of Labor, Senator Quinn, former president of the New Jersey State Federation of Labor, and Spencer Miller, Jr., director of the Workers Education Bureau, were among the other speakers.

On Thursday morning Dr. J. Douglas Brown, Professor of Economics at Princeton University, discussed the question of the administration of the Social Security Act.

In the afternoon Dr. Michael M. Davis, chairman of the Committee on Research in Medical Economics, discussed the development of public medicine and the movement for health insurance in this country, at the conclusion of which the entire conference was summarized by Spencer Miller, Jr.

In addition to the 140 labor leaders from different crafts and organizations throughout the State, there were a representative group of observers from industry and a number of representatives from the W.P.A. present during the period of the Institute.

Plans are now being made for increasing the enrollment at the next session of the Institute.

650,000 Wage Accounts Are Posted Daily by Social Security Board

Workers Benefit From Revised Wage Reporting Method Requiring Employers to Make Quarterly Reports of Wages and Social Security Taxes on Same Sheet; Aids Unions That Are Employers.

By A. F. of L. Weekly News Service.

Washington, D. C.—The tremendous amount of bookkeeping required in keeping accurate records of the wages of millions of men and women for whom the Social Security Board has established old-age insurance accounts was revealed in the statement by John Corson, Acting Director of the Bureau of Old-Age Insurance, that the accounts are posted at an average rate of 650,000 entries a day. The largest number of entries made in one day was 1,221,259.

The wages now being posted, Mr. Corson explained, are from employers' wage reports for 1937, which were filed at the end of each 6-month period. Approximately 75,000,000 wage items reported by employers for 1937 have been received by the Social Security Board from the Bureau of Internal Revenue.

The Social Security Board's new method of reporting wages which are to be credited to the worker's social security account, effective since January 1, 1938, is resulting satisfactorily to both workers and employers.

Wage Reporting Method Explained

Unions that are subject to taxes as employers have a double interest in the new system, under which employers are required to report wages and social security taxes quarterly on the same sheet, thus providing an immediate check on the amount of tax paid by the employer for himself and for his employes. The new report form simplifies the work of the employer in making his reports, and speeds up the posting of the workers' wage credits to their social security accounts.

Under the Federal old-age insurance system, employers are required to report each employee's name, account number, and wages, as well as the amount of social security taxes paid. This information, with the tax money, goes first to the Bureau of Internal Revenue, where it is audited. Then the wage records go to the Social Security Board, where each worker's wages are credited to his particular social security account, for use in figuring the amount of his old-age insurance benefits when they come due.

Aids Small Firms

The new quarterly forms take the place of the monthly tax return and the six months' information return, or wage-record report, which were required of employers for 1937. Payment of taxes by employers are made quarterly when the new form is filed.

The Social Security Board pointed out that the new method of reporting is especially important for operators of small business establishments who usually do their own bookkeeping. Returns for 1937 from over 1,700,000 employers show that about 95 per cent had 20 or less employees. Many had only one or two employees. Using the new form, tax returns and wage reports are made at the same time. Employers list each employee's wages for the quarter. The total of wages paid to all employees can be quickly determined and the amount of taxes can be quickly computed from this total.

The forms provide space for reporting 20 employees. For employers who have more than 20 employees, a continuation sheet is provided.

Simplifies Government's Work

The Government's work is simplified by the use of the new form, because tax returns and wage reports cover the same period and are filed at the same time on the same sheet. The two reports must agree, thus the work of checking tax returns against wage reports by the Bureau of Internal Revenue is lessened, and correspondence with employers to reconcile differences is practically eliminated. This enables the Bureau of Internal Revenue to transmit wage reports to the Social Security Board promptly, and posting of employes' wages to their accounts is expedited.

Prospective Borrowers From Federal Housing Administration Fleeced by Loan Racketeers

By A. F. of L. Weekly News Service.

Racketeers and swindlers are busy in various sections to cheat prospective borrowers under the Federal Housing Administration's enlarged program for promoting residential construction and improvement by means of FHA insurance for loans for these purposes under recent amendments to the National Housing Act.

Property improvement loans under the FHA plan are made by application to approved lending institutions without security beyond the signed note of the borrower and his general reputation for honesty.

In calling attention to this new racket, Thomas G. Grace, New York State Director of the FHA, said:

"If we could just get it into the people's minds the fact that they do not have to employ agents, brokers or anybody else to get full consideration for their loan and loan insurance applications we would be saved much trouble."

"Most of the victims," he added, "are persons who want money to improve properties which they hold under lease. The amended housing statute makes leaseholders eligible as borrowers providing the lease runs at least six months beyond the term of the loan asked.

"They answer advertisements which appear offering to act for them and before they know it they are in the toils of usurers. These loan sharks do not give their names or addresses in their advertisements but ask that letters be sent to a 'blind' address, usually a post office box, or the office of the periodical in which they advertise."